

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291

Task 10# 3186
cc: Wayne
0001
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SEP 23 2009

DIV. OF OIL, GAS & MINING

APPLICATION FOR TRANSFER
OF
NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

Application is hereby made to transfer the permit to commence small mining operations for the
REEF _____ mine, permit # S/015 /0094, currently
operated by Castle Valley Stone LLC (transferor)
to Southwest Stone Inc. (transferee).

As used herein, TRANSFEROR refers to the current operator, TRANSFEE refers to the
proposed new operator, NOI refers to the Notice of Intention to Commence Large Mining
Operations; PERMIT refers to the approved (or accepted) NOI, including the reclamation
contract and reclamation surety.

Upon approval of the Application for Transfer:

1. The Transferor agrees to transfer all rights and obligations to operate under the terms of the NOI to the Transferee, The Transferor will not retain any rights to conduct mining operations within the area covered by the approved NOI.
2. Both parties understand the transfer of the ***NOI is not complete until all the applicable requirements are met***, including the submittal and Division approval of an appropriate reclamation surety and a reclamation contract.
3. The transferee has read and has a copy of the current NOI.
4. The Transferee has inspected the site and is fully aware of all existing conditions and responsible for compliance with the conditions of the permit and the obligations regardless of the nature of the conditions at the site.
5. Transferee shall conduct mining operations on lands included in the NOI in accordance with the Utah Mined Land Reclamation Act, (ACT) Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended), and the rules promulgated under the ACT (R647- et seq., and the approved NOI.
6. The Transferee shall provide a surety in a form and amount approved by the Division to assure reclamation of the lands affected by the mining operations.

The Transferor will remain liable for compliance at the mine site until this transfer application is approved.

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The signatory below represents that he/she has authority to execute this transfer on behalf of the Transferor, if not a natural person. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFEROR:

Castle Valley Stone LLC

Operator/Transferor Name

By Jeffrey L. Sagers

Name of Authorized Officer (Typed or Printed)

Managing Member

Title of Authorized Officer

Jeffrey L. Sagers
Officer's Signature

Sept 1, 2009
Date

STATE OF IDAHO

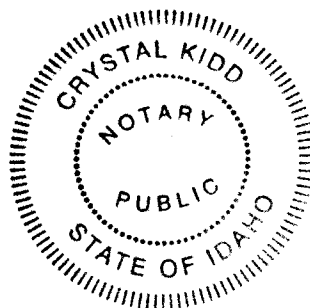
COUNTY OF Bear Lake) ss:

On the 1 day of September 20 09, Jeffrey L. Sagers
personally appeared before me, who being by me duly sworn did say that he/she is
an owner (owner, officer, director, partner, agent or other (specify))
of the Operator Castle Valley Stone LLC
and duly acknowledged that said instrument was signed on behalf of said Operator
by authority of its bylaws, a resolution of its board of directors, or as may otherwise
be required to execute the same with full authority and to be bound hereby.

Crystal Kidd
Notary Public

Montpelier
Residing at

3-18-2010
My Commission Expires:



The signatory below represents that he/she has authority to execute this transfer on behalf of the Operator/Transferee, if not a natural person; and the operator/transferee is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFEE:

Southwest Stone Inc.

Operator/Transferor Name

By Jeffrey L. Sagers

Name of Authorized Officer (Typed or Printed)

President

Title of Authorized Officer

Jeffrey L. Sagers
Officer's Signature

Sept 1, 2009
Date

STATE OF IDAHO)

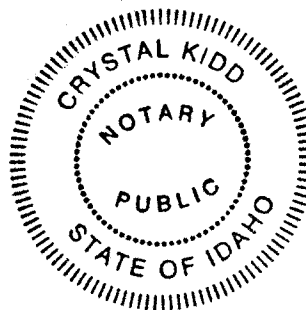
COUNTY OF Bear Lake) ss:

On the 1 day of September, 2009, Jeffrey L. Sagers
personally appeared before me, who being by me duly sworn did say that he/she is
an owner (owner, officer, director, partner, agent or other (specify))
of the Operator Southwest Stone Inc.
and duly acknowledged that said instrument was signed on behalf of said Operator
by authority of its bylaws, a resolution of its board of directors, or as may otherwise
be required to execute the same with full authority and to be bound hereby.

Crystal Kidd
Notary Public

Montpelier
Residing at

3-18-2010
My Commission Expires:



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program. (R647-3-et seq.)

These pages will replace the corresponding pages in the original NM

1. GENERAL INFORMATION

1. Name of Mine: REEF
2. Legal name of entity (or individual) for whom the permit is being requested
Mailing Address: 2421 West 350 North
City, State, Zip: Hurricane, Utah 84737
Phone: 435-635-2601 Fax: 435-635-2694
E-mail Address: jeff@southweststone.net

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DIV. OF OIL, GAS & MINING

Type of Business:

Corporation ☒ LLC ☐ Partnership – general ☐ or limited ☐
Sole Proprietorship (dba) ☐ or Individual ☐

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC).

Are you currently registered to do business in the State of Utah? Yes ☒ No ☐

Entity # 5084547-0142

If no, contact DOC at www.commerce.utah.gov to renew or apply.

Local Business License # : _____ (if required)

Issued by: City: _____ or County: _____

If Business is a Sole Proprietor:

Name of owner: _____ Title: _____

Business Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____

Business Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

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DIV. OF OIL, GAS & MINING

If Business is a Corporation:

Name of Officers: Jeffrey L. Sagers Title: President
Kolby L. Sagers Title: Vice President
Brady J. Sagers Title: Treasurer
Katrina L. Sagers Title: Secretary
Corporate Address: 2421 West 350 North
City, State, Zip: Hurricane, Utah 84737
Phone: 435-635-2601 Fax: 435-635-2694
E-mail Address: jeff@southweststone.net

If Business is a Limited Liability Company: Member Managed _____ Manager Managed _____

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

2nd Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

2. Contacts:

This person may be notified for: permitting ☒ surety ☒ Notices ☒
(please check all that apply)

Name: Jeff Sagers Title: President
Address: P.O. Box 43
City, State, Zip: Dingle, Idaho 83233
Phone: 208-847-0794 Fax: 208-847-1799
Emergency, Weekend, or Holiday Phone: 208-221-0899
E-mail Address: jeff@southweststone.net

This person may be notified for: permitting ☒ surety ☒ Notices ☒
(please check all that apply)

Name: Kolby Sagers Title: Vice President
Address: 60 Valley View Drive
City, State, Zip: Hurricane, Utah 84737
Phone: 435-705-0966 Fax: 435-635-2694
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

Registered Utah Agent (as identified with the Utah Dept of Commerce) (if individual leave blank):

Name: Jeffrey L. Sagers Title: President
Address: 2421 West 350 North
City, State, Zip: Hurricane, Utah 84737
Phone: 435-635-2601 Fax: 435-635-2694
E-mail Address: jeff@southweststone.net

3. Certification:

This certification must be signed by: (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; (4.) the member or manager if applicant is a limited liability company; or (5) the individual if the applicant is filing as an individual:

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I will follow the approved mining and reclamation plan that was submitted by Castle Valley Stone LLC (transferor), until such time that I provide the Division with an amended Notice of Intention and receive approval of the amended Notice; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature: _____

Date: _____

Name (typed or printed): _____

Title/Position (if applicable): _____

RECEIPT

OGM

DATE	9-23-09	No.	154746
RECEIVED FROM	SOUTHWEST STONE		\$ 150.00
ONE HUNDRED FIFTY & 00/100			DOLLARS
FOR RENT	S 0150094 PERMIT FEE		
FOR			
ACCOUNT	150.00	<input checked="" type="radio"/> CASH	FROM _____ TO _____
PAYMENT	150.00	<input type="radio"/> CHECK	
BAL. DUE	0	<input type="radio"/> MONEY ORDER	BY <u>Vicky Dyson</u>

HAND DELIVERED
12:30 P

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